

Revised: 5-11-08

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE REPUBLIC OF LIBERIA
REGARDING THE REDUCTION OF CERTAIN
DEBTS OWED TO, GUARANTEED BY, OR INSURED BY
THE UNITED STATES GOVERNMENT AND ITS AGENCIES

Acknowledging the September 1999 commitment of the President of the United States to provide 100 percent debt forgiveness of eligible debt to certain Heavily Indebted Poor Countries;

Recognizing that the Executive Boards of the International Monetary Fund and the World Bank's International Development Association determined on March 14 and 18, 2008, respectively, that the Republic of Liberia had reached the "Decision Point" as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries (HIPC);

And recognizing that the Executive Board of the International Monetary Fund approved on March 14, 2008 a three-year arrangement for Liberia under the Poverty Reduction and Growth Facility and the Extended Fund Facility;

The Government of the United States of America (the "United States") and the Government of the Republic of Liberia ("Liberia") agree as follows:

ARTICLE I

Application of the Agreement

In accordance with the recommendations contained in the Agreed Minutes on the Consolidation of the Debt of the Republic of Liberia, signed in Paris on April 17, 2008 by representatives of certain nations, including the United States, and by the representative of the Government of Liberia, and in accordance with the applicable domestic laws of the United States and Liberia, the United States and Liberia agree herein to the cancellation of certain Liberian payments arising from debts which are owed to, guaranteed by, or insured by the United States Government and its Agencies.

ARTICLE II

Definitions

1. "Agencies" mean the United States Department of Agriculture ("USDA"), including USDA's Commodity Credit Corporation ("CCC"); the United States Agency for International Development ("USAID"); the United States Department of Defense ("DOD"); the Export-Import Bank of the United States ("Ex-Im Bank"); and the United States Department of the Treasury's Financial Management Service ("Treasury FMS").
2. "Completion Point" means the date on which the Boards of the International Monetary Fund ("IMF") and the World Bank decide that the Republic of Liberia has reached its Completion Point as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries.
3. "Consolidated ODA and non-ODA Arrears" mean one hundred (100) percent of the amounts of unpaid principal and interest, including Late Interest, due as of February 29, 2008, inclusive, under the Contracts specified in paragraph 6 of this Article.
4. "Consolidated ODA and non-ODA Debt" means one hundred (100) percent of the amounts of principal and interest, excluding Late Interest, falling due during the Consolidation Period under the Contracts specified in paragraph 6 of this Article.
5. "Consolidation Period" means: (a) the period from March 1, 2008 through December 31, 2008, inclusive, if the conditions set forth in Article IV, paragraph 1 of this Agreement are satisfied; (b) the period from March 1, 2008 through December 31, 2009, inclusive, if the conditions set forth in Article IV, paragraphs 1 and 2 of this Agreement are satisfied; and (c) the period from March 1, 2008 through December 31, 2010, inclusive, if the conditions set forth in Article IV, paragraphs 1, 2 and 3 of this Agreement are satisfied.
6. "Contracts" mean those agreements or other financial arrangements which have maturities under:

(a) commercial credits guaranteed or insured by the United States and its Agencies, having original maturities of more than one year, which were extended to Liberia or its public sector, or covered by a guarantee of Liberia or its public sector, pursuant to an agreement or other financial arrangement concluded before June 20, 1999; and

(b) loans made by the United States and its Agencies, having an original maturity of more than one year, and which were extended to the Government of Liberia or its public sector or covered by a guarantee of Liberia or its public sector, pursuant to an agreement concluded prior to June 20, 1999, including the loan extended on December 31, 1943 under the Act to Promote the Defense of the United States, Pub. L. No. 11, 55 Stat. 31, as amended ("the Lend Lease Act"), as restructured through the Agreement between the United States and Liberia, effected by the exchange of notes dated April 13 and 14, 1964, and the Agreement between the United States and Liberia, effected by the exchange of notes dated March 12 and May 31, 1984; and

(c) the bilateral debt restructuring agreements ("Restructuring Agreements") between the United States and Liberia signed on May 7, 1981; October 19, 1982; June 22, 1984; and May 3, 1985.

A table listing the relevant contracts to be included under the reduction is attached hereto as Annex A.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

7. "Late Interest" means interest charges payable on due, but unpaid amounts of principal and interest that have accrued from the original contractual due date up to February 29, 2008, inclusive, on amounts of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears in accordance with the terms of the Contracts, notwithstanding the payment of such principal and interest subsequent to the original due dates.

8. "Minutes" means the Agreed Minutes on the Consolidation of the Debt of the Republic of Liberia, signed in Paris by Participating Creditor Countries, including the United States, and by the representative of Liberia on April 17, 2008.

9. "Participating Creditor Countries" means the creditor countries, including the United States, which are signatories to the Minutes.

ARTICLE III

Terms and Conditions

1. The amount equal to 100 percent of the Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears is hereby cancelled.

A table summarizing the amount of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears to be cancelled if the Consolidation Period is March 1, 2008 to December 31, 2008, inclusive, is attached hereto as Annex B1. A table summarizing the amount of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears to be cancelled if the Consolidation Period is March 1, 2008 to December 31, 2009, inclusive, is attached hereto as Annex B2. A table summarizing the amount of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears to be cancelled if the Consolidation Period is March 1, 2008 to December 31, 2010, inclusive, is attached hereto as Annex B3.

2. Adjustments in the amounts of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears may be made in writing, as necessary and by mutual consent.

3. All terms of the Contracts remain in full force and effect, except as they may be modified by this Agreement.

ARTICLE IV

General Provisions

1. The provisions of this Agreement will apply during the period March 1, 2008 to December 31, 2008, inclusive, provided Liberia continues to have an appropriate arrangement with the International Monetary Fund (IMF).

2. The provisions of this Agreement will apply during the period March 1, 2008 to December 31, 2009, inclusive, provided that: (i) the Executive Board of the International Monetary Fund has approved the 2nd review of the arrangement for Liberia under the Poverty Reduction and Growth Facility; and (ii) Liberia has made on due dates the payments referred to in the Minutes.

3. The provisions of this Agreement will apply during the period March 1, 2008 to December 31, 2010, inclusive, provided that: (i) the Executive Board of the International Monetary Fund has approved the 4th review of the arrangement for Liberia under the Poverty Reduction and Growth Facility; and (ii) Liberia has made on due dates the payments referred to in the Minutes.

4. The United States and its Agencies reserve the right, in their discretion, to redirect any payment made by Liberia on its obligations under the Contracts or under this Agreement if the United States concludes that such action will more effectively implement the recommendations contained in the Minutes as well as any subsequent actions of the Paris

Club in relation to Liberia. In making a decision whether to redirect such payments, the United States may take into account any factors it deems appropriate, including, but not limited to, any actions on the part of Liberia that result in Liberia's failure to satisfy the conditions of Article IV, paragraphs 1, 2 and 3 of this Agreement. As used in this paragraph, "redirect" means: (1) to apply or reapply all or a portion of a payment made by Liberia to either an obligation due or coming due under this Agreement or to another obligation due or coming due of Liberia to the United States or its Agencies; or (2) to return any amount to Liberia.

5. Liberia agrees to grant the United States and its Agencies treatment on terms no less favorable than those which it has accorded, or may accord, to any other creditor country or its agencies for the reduction of debts of comparable maturities.

6. Liberia shall seek to secure from external creditors, including banks and suppliers, reduction and reorganization arrangements on terms comparable to those set forth in the Minutes for credits of comparable maturity, while trying to avoid inequity between different categories of creditors, all as described in the Minutes.

7. With respect to amounts owing to USAID under this Agreement, Liberia agrees to the additional terms and conditions set forth in Annex C.

8. With respect to amounts owing to DoD under this Agreement, Liberia (referred to as the "Government" hereto) agrees to the additional terms and conditions set forth in Annex D.

9. With respect to amounts owing to Ex-Im Bank under this Agreement, Liberia (referred to as the "Government" hereto) agrees to the additional terms and conditions set forth in Annex E.

10. The Annexes shall constitute an integral part of this Agreement.

11. This Agreement may be amended or modified by mutual written consent of the United States and Liberia.

ARTICLE V

Subsequent Debt Reduction

1. If Liberia maintains satisfactory financial relations with the Participating Creditor Countries, fully implements all external debt agreements signed with them, maintains a sound adjustment track record, and the Boards of the IMF and the World Bank decide that Liberia has reached its Completion Point as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries, the United States agrees, in principle, to participate in a Paris Club meeting convened for the purpose of considering treatment of Liberia's stock of debt. The United States agrees, in the context of equitable burden sharing among creditors, to

take such actions as it deems appropriate to enable Liberia to reach its debt sustainability objectives.

2. If, following the conclusion of the Consolidation Period as defined in this Agreement, but prior to the meeting referred to in Article V, paragraph 1, the Paris Club determines that conditions in Liberia warrant additional interim debt relief and a further extension of the Consolidation Period, the United States agrees, in principle, to cancel 100 percent of Liberia's principal and interest payments falling due during the further extension of the Consolidation Period agreed to by the Paris Club.

ARTICLE VI

Suspension or Termination

The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to Liberia. In particular, the United States may terminate all or part of this Agreement if the Participating Creditor Countries determine that Liberia has not met its obligations under the Minutes, including that of comparable treatment. If the United States terminates all or part of this Agreement, all debts cancelled under this Agreement shall be due and payable immediately according to terms of the original Contracts, following notification to Liberia of termination of the Agreement.

ARTICLE VII

Entry into Force

This Agreement shall enter into force following signature of the Agreement and written notice from the United States to Liberia that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.

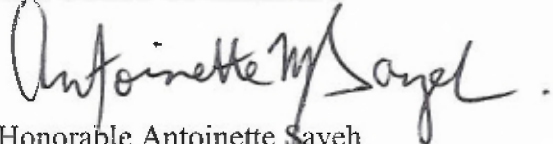
Done at Monrovia, Liberia, in duplicate, in the English language, this 12th day of June, 2008.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



Donald E. Booth
U. S. Ambassador

FOR THE GOVERNMENT OF THE
REPUBLIC OF LIBERIA:



Honorable Antoinette Sayeh
Minister of Finance

Annex A

Contracts Subject to Reduction

USAID Loan Numbers:

669T029R	669T048R	669T054R	669H033R	669H005 A
669T041R	669H045R	669W049R	669T053R	669H014
669H004A	669H007A	669H009 A	669H007B	669H021 A
669H013	669H004B	669H017	669H017A	669H039R
669H019	669T024	669T026	669T026B	669H008 A
669W031R	669H052R	669H027R	669T035R	669H006B
669W043R	669T047R	669H051R	669W055R	669W023
669H006A	669H010	669H012	669H011	
669H015	669H016	669H018	669H020	
669T022	669T025	669T026A	669W037R	

USDA (PL-480 Agreements) Loan Numbers:

68LI1	84LI2	80LI1	85LI1	82LI1
83LI1	72LI1	85LIA	81LIA	87LI1
71LI1	84LIA	81LI1	86LI1	82LIA

Department of Defense Loan Numbers:

LI19811G	LI19818D	LI19831G	LI19838D	LI19857D
LI19812G	LI19821G	LI19837D	LI19847D	LI19857E

Export-Import Bank Loan Numbers:

R0037	R0077	6736
R0063	3013	G003014

Department of the Treasury FMS Loan Numbers:

430001
841600

Annex B1
Summary of Consolidated Arrears and
Consolidated Debt if the Consolidation Period Covers the Period From
March 1, 2008 through December 31, 2008
(thousands of U.S. dollars)

USAID	\$123,951
USDA and CCC	\$139,970
Department of Defense	\$94,417
Export Import Bank	\$22,658
Treasury FMS	\$12,652
Total	\$393,648

Annex B2
Summary of Consolidated Arrears and
Consolidated Debt if the Consolidation Period Covers the Period From
March 1, 2008 through December 31, 2009
(thousands of U.S. dollars)

USAID	\$126,454
USDA and CCC	\$142,051
Department of Defense	\$94,417
Export Import Bank	\$22,658
Treasury FMS	\$12,652
Total	\$398,232

Annex B3
Summary of Consolidated Arrears and
Consolidated Debt if the Consolidation Period Covers the Period From
March 1, 2008 through December 31, 2010
(thousands of U.S. dollars)

USAID	\$128,868
USDA and CCC	\$143,370
Department of Defense	\$94,417
Export Import Bank	\$22,658
Treasury FMS	\$12,652
Total	\$401,965

Annex C

Additional Terms and Conditions with Respect to Amounts Owed to USAID

1. Adjustments. Following the execution of this Agreement, USAID shall inform Liberia of the actual amounts to be reduced hereunder. The parties hereto agree to make any necessary adjustments to the amounts being reduced under this Agreement and such amounts may be further adjusted, from time to time, as the parties may mutually agree.
2. Future consolidations. If the terms of this Agreement provide for the Consolidation Period to be extended beyond the initial Consolidation Period, and provided conditions contained in the Agreement are met, USAID will manage each extended period as a separate loan and identify it with a separate loan number and interest rate. Following notification that the conditions have been met, USAID will inform Liberia of the actual amounts to be reduced under that consolidation.
3. Communications. All communications between Liberia and USAID shall be in writing in the English language (or accompanied by an accurate translation). All communications to Liberia shall be addressed as Liberia may designate from time to time in writing to USAID. All communications to USAID shall be addressed as follows:

U.S. Agency for International Development
Office of the Chief Financial Officer
Washington Financial Services – Credit Team
1300 Pennsylvania Avenue, N.W.
Room 2.10.056
Washington, D.C. 20523
Fax: +1 (202) 216-3380

USAID may change this designated address upon written notice to Liberia.

4. Authorized Representatives. Liberia shall designate in writing duly authorized representatives permitted to perform any and all actions required under this Agreement and may change its designated representatives by written notice to USAID. USAID may accept the signature of such representatives on any instrument as conclusive evidence that any such action effected by such instrument is authorized by Liberia until receipt of written notice of revocation of their authority.
5. Waivers of Default. No delay in exercising, or omission to exercise, any right accruing to USAID under this Agreement shall be construed as an acquiescence or waiver by USAID of any such right.

6. Governing Law. The USAID portion of this Agreement will be governed by and construed in accordance with the laws of the District of Columbia, United States of America.

7. Expenses. Liberia shall reimburse USAID, upon demand, for all reasonable, necessary and documented expenses (including legal fees) incurred by or charged to USAID in connection with or arising out of USAID's successful attempts to enforce this Agreement.

Annex D

Additional Terms and Conditions with Respect to
Amounts Owed to DoD

1. No failure or delay on the part of the Department of Defense to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof.
2. Upon entry into force of this Agreement, the Department of Defense shall consider arrears as having been forgiven for the purposes of resuming the provision of assistance to the Government. The Department of Defense will notify the Government of the amounts forgiven.
3. The Department of Defense portion of this Agreement shall be governed by, and construed in accordance with, the laws of the District of Columbia, United States of America.
4. All communications between the Government and the Department of Defense shall be in writing, in the English language at the following address:

Defense Security Cooperation Agency
201 12th Street South; Suite 203
Arlington, VA 22202-5408
Facsimile: +1 (703) 604-6538

Annex E

Additional Terms and Conditions with Respect to Amounts Owed to Ex-Im Bank

The Government of the Republic of Liberia (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the United States of America and the Government:

A. Representations. The Government represents and warrants that it has taken all actions necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce the Government's obligations under this Agreement.

B. Miscellaneous Provisions.

1. Adjustments. On or about 135 days after the execution of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts to be reduced hereunder. The parties hereto agree to make any necessary adjustments to the amounts being reduced.

2. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Telex: 89461 EX-IM BANK WSH
197681 EXIM UT
Facsimile: +1 (202) 565-3890
Reference: Ex-Im Bank Loan R0305